GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:1789
ANSWERED ON:08.08.2006
INVESTMENT COMMISSION FOR MANUFACTURING INVESTMENT POLICY
Gaikwad Shri Eknath Mahadeo;Kumar Shri Shailendra;Mane Smt. Nivedita;Rao Shri Kavuru Samba Siva;Singh Shri Chandra Bhushan;Singh Shri Prabhunath;Tripathy Shri Braja Kishore

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government proposes to bring a National Manufacturing Initiative and Investment Policy for various sectors;

(b) if so, the details and objective of the same;

(c) whether the Investment Commission has made some recommendations in this regard;

(d) if so, the details of recommendations and the reaction of the Government thereto;

(e) the likely impact on investment, employment generation and manufacturing hubs;

(f) whether the Government proposes to invite private sector investment in manufacturing Investment regions especially in Petro investment regions; and

(g) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (SHRI ASHWANI KUMAR)

(a) & (b): Yes, Sir. Government proposes to launch a National Manufacturing Initiative with the objective of increasing the competitiveness of the manufacturing sector. The Manufacturing initiative is aimed at making the manufacturing sector the prime driving force for employment and economic growth. Government has put in place a liberal policy on Foreign Direct Investment (FDI) under which FDI in most of the manufacturing activities is permitted up to 100 % on the automatic route.

(c) & (d): Investment Commission has recommended measures to improve the business and investment climate which, inter-alia include removal/ reduction of existing restrictions on FDI in certain sectors.

(e): Investment, including Foreign Direct Investment, has the potential to create employment, bring in modern technology and management practices and enlarge the share of manufacturing in the national GDP.

(f) & (g): Setting up of Manufacturing Investment Regions (MIRs) and Petroleum Chemical & Petrochemical Investment Regions (PCPIR) are amongst the initiatives being considered for providing quality infrastructure, speedier clearances and efficient & transparent regulatory systems in order to encourage manufacturing growth. The contours of the policy and legal framework in respect of the scope and establishment of such regions are under consultation with all stakeholders, including the State Governments.